



U.S Representative

Bernie Sanders

A Special Focus On National Priorities



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Congress of the United States

House of Representatives

Washington, DC 20515

DEAR FELLOW VERMONT,

I want to take this opportunity to update you on some of the major issues that are currently being debated in Congress, and my ongoing efforts to fight for fundamental changes in our national priorities.

In my view, the great story of the last twenty years, largely ignored by the corporate media, is the decline of the middle class and the fact that the average American is working longer hours for lower wages. While we hear a great deal in the media about the supposedly "booming" economy, the reality for most Vermonters is that they are working longer hours for lower wages than they were in the 1970s.

Over the past 25 years, American workers have seen a 15 percent reduction in real wages. Further, millions have lost health and pension benefits and are experiencing deep job insecurity as more and more corporations downsize. A well documented study released by the Burlington based Peace & Justice Center found that more than 50,000 working Vermonters do not earn enough to meet their basic needs.

While working families in Vermont and throughout the country are struggling to pay the bills, the very wealthiest people in this country have never had it so good. In the last 15 years, ninety-nine percent of the new wealth created in America has gone to the top 20 percent of all households. The top 1 percent, by itself, has claimed more than 60 percent of the new wealth. Incredible as it may seem, Microsoft founder Bill Gates, who is worth roughly \$40 billion, now owns more wealth than the bottom 40 percent of America's households.

In order to understand why the gap between the rich and the poor in the United States is growing wider and why Congress last year passed a "balanced budget agreement" which gave more in tax breaks to the richest 1% than to the bottom 80%, it is necessary to understand how political campaigns are financed.

The current campaign finance system is an obscenity. During the 1996 election cycle, the wealthy and large corporations contributed hundreds of millions of dollars in soft money to both the Democratic and Republican parties. In terms of individual donors, the richest 1/4 of one percent made over 80% of the contributions. While fewer and fewer ordinary Americans bother to vote, more and more of the candidates who run for office are multi-millionaires.

The great challenge of our time is to revitalize the political system and create a process by which the elected officials of this country represent the ordinary people of America and not just the wealthy and the powerful. This is a challenge that every Vermonter and every American must be prepared to confront.

If my office can answer any questions you might have on legislation or constituent concerns, please don't hesitate to contact us at 1-800- 339-9834. You can also learn what my office is up to by contacting our web site at www.house.gov/bernie.

Sincerely,

*Bernard Sanders
Member of Congress*

THE AMERICAN WORKER IN THE GLOBAL ECONOMY

Not long ago, the global economy didn't matter much to the average American. But the North American Free Trade Agreement (NAFTA) and Most Favored Nation status (MFN) with China taught millions of Americans that economic forces beyond our borders can powerfully affect us, helping determine whether our jobs will be moved away, or whether our wages and benefits will be lowered.

One of the great crises facing American workers is "the race to the bottom" within the global economy. As a result of increased capital flow, various "free trade" agreements, and the role of international financial organizations like the International Monetary Fund, workers in the United States are increasingly being put in the position of having to "compete" with desperate Third World workers in Mexico, China, Vietnam and other countries who are forced to work for wages as low as 20 cents an hour.

Clearly, Congress must make radical changes in our trade policies and our relationship to such international financial organizations as the IMF and the World Bank. The goal of U.S. policy must be to improve the standard of living of workers in both the United States and the developing world and not simply protect the interests of multinational corporations. We must support "fair trade" and not "free trade," and demand that corporate America start reinvesting in the United States.

INDENTURED CHILD LABOR

Incredible as it seems, more than 15 million children—most in South Asia and some as young as four years old—are sold to manufacturers by their poor parents. The children, who often work for rug makers and in brick and match factories, are sometimes chained to prevent their escape. I am proud that legislation I introduced will ban the importation of any products made by forced or indentured child labor was signed into law last fall by President Clinton.

SWEATSHOP LABOR

Philip Knight, the owner of NIKE, is worth \$5 billion dollars. Meanwhile, NIKE pays its workers in China, Indonesia and Vietnam 20 cents an hour to produce a pair of sneakers which sell in this country for \$80 to \$120. In many ways, NIKE has become the poster child for large American corporations who run to desperate Third World countries, exploit the workers there, and refuse to build manufacturing plants in the United States or hire American workers.

In recent years, throughout the United States and much of the world, citizens and human rights organizations have been demanding that NIKE change its ways. Several months ago, I initiated a letter in Congress which was signed by 55 members urging NIKE to treat their Third World workers with respect, and to start reinvesting in the United States.

In mid-May, Mr. Knight held a press conference in Washington to announce that NIKE would raise the minimum age at which it hires workers, allow for independent monitoring of its facilities and improve the working conditions in its factories. Did this have anything to do with the international pressure that NIKE was experiencing, and the sharp decline in its sales and profits? NIKE says "no." I say "yes."

THE INTERNATIONAL MONETARY FUND (IMF)

As the Ranking Member of the Banking Subcommittee on General Oversight and Investigations, I have been playing a leading role in opposition to the \$19 billion dollar IMF bailout, and to the proposed United States \$18 billion "replenishment" of the IMF. The IMF is not only bad news for American workers and taxpayers, it has been a disaster for the poor people of the Third World who have had to live under IMF "structural adjustment" agreements, which have increased poverty and human misery.

I regard it as absurd that the taxpayers of this country should fork over billions of dollars to the IMF to bailout huge banks like Chase Manhattan, Citicorp, BankAmerica and J.P. Morgan, who made huge profits investing in Asia. If these banks want to invest in Asia, that's their business. But the taxpayers of this country should not be asked to provide billions of dollars for them when their loans and investments go sour. An amendment of mine which would go a long way to stop taxpayer bailouts of the banking industry by the IMF was passed by the House Banking Committee.

BEWARE THE MAI

You may not have heard of it—and that's the way corporate America would prefer it—but there is an international trade proposal called the Multilateral Agreement on Investment that is being negotiated in secret that would give transnational corporations sweeping new rights in the "New World Order." Among other things, the MAI would allow corporations to overrule decision-making by democratically elected legislatures. In other words, the citizens of a given country would literally be unable to protect their own labor, environmental, or agricultural interests if they were in opposition to the economic needs of foreign investors.

MAI has been called "NAFTA on steroids," and *Business Week* calls it "the most explosive trade deal you've never heard of." It's a NAFTA of global proportions that would open all economic sectors to foreign ownership; remove all restrictions on movement of capital; force states, counties, cities, and towns, to comply with its mandate and hold taxpayers responsible for compensating corporations for profits lost as a result of boycotts, public protests, strikes, etc.

Under MAI, worker protection laws, including the minimum wage, could be challenged as imposing a cost of business that threatens investment. No longer could governments restrict or ban investments that violate human or workers rights. This proposal, if enacted, would be a disaster of colossal proportions. I intend to play an active role in defeating it.

SOCIAL SECURITY IS IN CRISIS— NOT!

Social Security, established in 1935, is one of the strongest and most important federal programs in existence. Because of Social Security, tens of thousands of Vermont senior citizens, and millions of elderly Americans, are able to live out their lives with some degree of economic security. **We must do everything we can to strengthen Social Security and make certain that it is there not only for senior citizens today - but for all future generations.**

Unfortunately, there are officials in Washington, Wall Street speculators and right wing think tanks who are working hard to undermine the Social Security system by trying to make Americans believe that there is a "crisis" in Social Security, and that the only way to save it is to "privatize" it. Nothing could be further from the truth.

The fact of the matter is the Social Security system today is extremely strong, and will remain financially solvent long into the future. This year, Social Security is running a **surplus** of \$80 billion. **The Social Security Trust Fund currently contains over \$500 billion and, if Congress does nothing would be able to pay out all benefits to every eligible man, woman and child for the next 33 years - until 2031.**

While there is no crisis in Social Security today, we should begin working now to make the relatively minor adjustments that we will need in order to make certain that we avoid any problems in the years to come when there will be fewer workers to support an aging population. Amid the onslaught of reactionary and privatization proposals coming from Republicans and Democrats, Wall Street and the corporate media, I will be working with members of the Progressive Caucus to develop a mechanism to strengthen Social Security that is based on principals that are fair and progressive.



"Social Security is running a surplus of \$ 80 billion, while the Social Security Trust Fund currently contains over \$ 500 billion."

REAL CAMPAIGN FINANCE REFORM



You're a wealthy CEO of a large corporation and you want to pay less in corporate taxes and personal income taxes. But there are candidates for public office who believe that the wealthy and large corporations should pay their fair share - so that we don't have to cut back on Medicare, Medicaid, education and

affordable housing. What do you as a corporate executive do?

It's easy. You get together with some of your wealthy friends, hire a consultant, and pour huge sums of money into negative 30 second tv ads against the candidate you dislike. No problem. No restrictions. And it's perfectly legal. It's called an "independent expenditure." Or, you and your company can contribute millions of dollars to both the Republican and Democratic parties, and get the opportunity to sit down with the leaders of both parties to influence pending legislation. This is called a "soft money" contribution.

In recent years, corporations and wealthy individuals have contributed hundreds of millions of dollars to both major political parties, and the situation is getting worse. Some conservatives talk about the large amount of money that organized labor contributes, but they forget to mention that in the 1995-96 election cycle, corporations, groups and individuals representing business interests outspent labor by 11-1.

In my view, the best campaign finance reform legislation now before Congress is the "Clean Money, Clean Elections" bill of Rep. John Tierney. In many ways it is similar to the important legislation recently passed by the Vermont State Legislature. Under this bill, a candidate would agree to real spending limits; accept no private contributions; use no personal funds; and, in return, would receive a fixed and equal campaign allowance from a publicly-financed Clean Money Fund.

After years of blocking action, Speaker Newt Gingrich finally agreed in April to allow serious campaign finance discussion to take place in the House. In truth, he didn't have much choice. Responding to a national outrage regarding the current obscene campaign finance situation, 218 members of the House were prepared to sign a "discharge petition" which would have forced the issue on to the floor, whether Speaker Gingrich wanted it or not.

Congress must pass real campaign finance reform immediately. Democracy means one person, one vote. Not one dollar, one vote. We must end the ability of Big Money interests to buy elections.

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** If you receive more than one copy of this newsletter we apologize. Please feel free to pass the extra copy along to an interested friend. **

** This mailing was prepared, published, and mailed at taxpayer expense. **

WHERE IS THE PEACE DIVIDEND?

Do you remember how, during the Cold War, we were told that we needed huge military budgets in order to sustain ourselves against the Soviet Union and the Communist bloc? Well, the Cold War is long over. Guess what? We still have a huge military budget.

In recent years, we have seen Congress impose major cut-backs in Medicare, Medicaid, affordable housing, environmental protection and the needs of the elderly, the children and the poor. We have also seen huge tax breaks for the rich. Yet, we currently spend \$267 billion on the military, about 8 times what the federal government spends on education. In addition, we spend approximately \$27 billion on the Intelligence Budget, and are allied with NATO forces which spend hundreds of billions more.

In recent years, I have helped lead the effort in Congress to cut both the military budget and the intelligence budget. With 40 million Americans lacking any health insurance, with millions of elderly people unable to afford the prescription drugs they need, and with middle class families in Vermont and all across this country unable to afford the cost of higher education for their kids, it seems to me that we need some fundamental changes in our national priorities and how the federal government spends the American people's tax dollars. Unfortunately I am in the minority in Congress on this position. Recently, the house voted 120-291 against my amendment to cut the intelligence budget by 5%. They also voted for a slight increase in the military budget.

“We currently spend about 8 times as much on the military budget as we do for education.”

